

Stakeholder Engagement Incentive Scheme

Submission 2018/19

Part 2



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Throughout this document you'll see icons, which show you the golden thread from our stakeholder incentives, back to our Business Objectives.

Icon System:



Deliver outstanding customer service



Operate Safely



Guarantee unbeatable value for money



Operate with reduced impact on the environment



Create lasting energy solutions

1. A focused, results-orientated programme of engagement

2018/19 was an exciting year for our engagement programme. We launched several new and imaginative partnership schemes, and continued to expand and refine existing projects. It saw us work with a broad range of stakeholders at local, regional and national level, to improve our services now and plan for the future.

From closer collaboration with local authorities on roadworks and a more customer-focused connections offering to supporting the region's aspirations for a hydrogen-fuelled economy, our work has been extremely diverse, and generated valuable outcomes for our stakeholders.

We brought an even greater strategic focus to the stakeholder led decisions we made around who to engage, about what, and when to invest in. This was aided, in no small part, by the use of our new Value Framework – a means of assessing the economic, and societal impact, of key decisions.

Our engagement programme was focused around our core business objectives, which themselves have been informed by stakeholders' priorities, both through focused engagement and through our ongoing involvement in the national debate.

These key areas form the basis of our Part 2 submission. They are:

- **Guarantee unbeatable value for money** : delivering affordable service, but not at the expense of taking shortcuts with safety or reliability
- **Deliver outstanding, inclusive customer experience** : customers don't have direct interaction with our business often, but when they do, they expect a professional, reassuring service and for issues to be resolved swiftly. Customers in vulnerable circumstances deserve tailored support
- **Create lasting energy solutions** , and **reduce environmental impact** : stakeholders' interest in green, sustainable forms of gas; decarbonisation and energy efficiency has continued to grow, and we continue to respond to this vital agenda
- **Operate safely** : provide a safe and reliable service to ensure the wellbeing of customers and colleagues

You'll see the above icons throughout this document, they indicate where our initiatives help us to achieve these objectives; our golden thread

1.1. Engagement outcome highlights

Holistic approach

 **330** colleagues received enhanced vulnerability or incident training

 **7** partnerships with new community organisations through our Community Partnering Fund*

 **£14.5M** - approx savings from innovative tech embedded across the business

Innovative thinking

 Over **89,000** stakeholders reached online with our driveways initiative

 **25** new supply chain partners through our Digital Catapult Collaboration

Challenging groups

 **3305** referred to PSR

 **£550,000** lifetime savings through Green Doctors

1st GDN to make GSOP payments proactively

Project management

 **26** pop up warm hubs ran

2 stakeholder initiatives paused

 Over **60,000** people reached through our Community Partnering Campaign

Smart/best practice

 **£11,480** proactive GSOP payments to 264 customers

 **51** National Considerate Constructors Scheme National site Awards

* Note: you'll see this  badge when we're talking about an initiative that's funded through our Community Partnering Fund

2. Delivering value for money

Stakeholders say: Our stakeholders and customers consistently tell us that they want affordable bills, without compromising the safety and reliability of the network.

The initiatives we'll talk through in this section alone, have projected benefits of around £78M across the next 5 years.

Measuring the true value of an investment can be difficult – given that some outcomes, such as societal benefits, can be difficult to quantify in pounds and pence. However, by working with our stakeholders to develop our Value Framework, we have a better understanding of the true value of the decisions we make. See Part 1 page 3, for more information about the development of our Value Framework.

2.0.1 Booking purge and relights via text message **NEW**

We perform around 70,000 purge and relights each year – the process of reconnecting a property's gas supply following planned or emergency work, and carrying out essential internal safety checks.

Last year, because customers were not home when our engineers called round - we missed 8,000 such appointments – an 11% abort rate.

Each missed appointment costs £35 – that's £280,000 per year.

In response, we are trialing a new text message appointments service with logistics specialist Localz which enables us to arrive at a pre-agreed time. Customers are also able to use a link to tell us if they won't be in.

Through reducing the number of missed appointments, across 5 years this project has the potential to save us £1.4M.

All purge and relights booked through the text service were successfully completed, first time, resulting in no missed appointments, a great outcome for our customers.

Following the trial, we're continuing to understand customers appetite with a view to full rollout.

£1.4M projected saving over 5 years

2.0.2 Reinstate your way: our driveway initiative **SCALED UP**

Stakeholders say: Reinstatement is a major source of frustration; both quality and timeliness of reinstatement remain the lowest scoring areas in our customer satisfaction scores.

This year we launched a new, network-wide campaign to ask customers to tell us when they're having a driveway replaced so that we can work with them to avoid costly reinstatement and inconvenience during our work.

Through social media and online advertising we reached over **89,000 stakeholders, over 2,400 of them visited our website and this resulted in almost 40 enquiries.**

As a result, we have avoided unnecessary reinstatement on 11 occasions so far. In these instances, we've rearranged our replacement works to suit the customers' needs, or the customer has delayed their driveway replacement by a couple of weeks, to avoid multiple disruptions.

On average we spend £51,000 per year on specialist reinstatement in driveways, when our works come shortly after a customer has had a driveway replaced. Based on current uptake levels, **we estimate that across 5 years we will save around £50,000 for our customers in materials alone, through this initiative.**

2.1. Supply chain and cross-sector collaboration

Where we face challenges around core service delivery, we don't assume that we know best. Where practical, we put the challenge back to the supply chain or sector and jointly develop solutions. This collaborative approach has led to some imaginative solutions which are saving time and money, while improving the quality of the service we provide.

2.1.1. Sustained value from our supplier partnerships **EMBEDDED**

For the past seven years we have worked with local engineering contractors to deliver our mains replacement programme – an approach that continues to save money and improve service.

By forging collaborative partnerships with these local firm, we continue to generate additional benefits for our customers.

For example, a local contractor in Tees approached us for support after a spate of low customer service scores. We were able to provide additional training and support, leading to a 32.2% reduction in complaints and a customer satisfaction score of 9.26. In addition to this, we've seen a huge increase in customer accolades for this contractor, from around 4 a month, to an average of 140.

The contractor is now working with other companies delivering our mains replacement programme, to share best practice.

This ongoing evolution of our approach to mains replacement is now **saving approximately £12M – £15M** per year compared to our traditional approach to replacement.

£60M - £75M savings from our replacement model across the next 5 years

2.1.2. Making it easier for suppliers to work with us **NEW**

Stakeholders say: Our stakeholders have told us that they often don't submit tenders, or come to us with ideas, because they don't understand enough about our business and the challenges we face. Our stakeholders want us to collaborate with other utilities wherever possible, and told us this year that we should encourage and involve our wider supply chain in developing innovative solutions.

In 2018, we partnered with business agency Digital Catapult North East to run an event in Sunderland to help local companies learn more about us and give them the opportunity to propose solutions to the service delivery challenges we face.

The event led to some impressive outcomes:

Number of businesses attended	33
£ saved in initial set up of procurement event	£9K
Business proposals received as a result	18
Projects in the sanction process	1
Number of companies now in our supply chain who previously weren't	25

The project which we've sanctioned funding for a printable pressure sensor - has tremendous potential to save time, money and environmental impact once implemented.

Engaging with agencies such as Digital Catapult North East helps us to connect with new suppliers of innovative solutions and we plan to replicate this way of working in the future.

2.1.3. Developing a shared map of underground utility assets NEW

Stakeholders say: They'd appreciate a map system which shows all utilities, to avoid them having to log in to different systems to access the data they need.

Significant third party damages to our mains cost our stakeholders £26,000 this year; a challenge common across all infrastructure providers. We know that better shared understanding of assets is the key to avoiding these incidents. So we've collaborated with Ordnance Survey, Northumbrian Water, Northern Powergrid, BT

Open Reach and Sunderland and Durham City Councils to create a prototype joint utilities map – charting all the underground assets owned by each organisation.

The benefits of a single, digital map, showing all underground utility assets are immense. It stands to save all organisations who need to dig underground time and money, while improving safety.

We developed a shared concept with our partners throughout the year, with the result that we are now in position to apply for funding to develop a region wide map.

2.2. Investing in innovation to save money every day EMBEDDED

Stakeholders say: We should innovate to save money and to create new benefits, such as saving customers time and disruption.

Where possible, we should focus on projects that are financially viable without external support.

We're passionate about bringing innovation into our every day operations. Where practical, we fund this ourselves, and where necessary we draw on Network Innovation Allowance (NIA) funding to seed projects.

We have continued to invest in former NIA projects to embed them across our network, and make them 'business as usual'.

In 2018/19, we tracked the benefits of 28 innovation projects which have been successfully introduced in to the network, with savings of £2.9M amassed in the past 12 months.

Our investment decisions bring long term value; with spend this year bringing enduring savings for the future.

£14.5M projected enduring benefits across the next 5 years.

Self funded Innovations that are now business as usual:

Anaconda tee

- A flexible service to main connector which can be used to avoid unnecessary fittings and associated joints in the system; saving time and reducing plastic pipe waste.
- We used this piece of equipment over 3,700 times in 2018/19 and estimate net **savings across the next 5 years of approximately £460K.**

Yellow filter bag

- A reusable tool which reduces the need for costly water treatment through filtering sediment down to Environment Agency approved levels so that it can be disposed of on site. As well as bringing obvious environmental benefits, this piece of equipment has **estimated net savings of £1.4M across the next 5 years.**

Infinity trailer

- We now have 9 of these flexible bypass systems in our network, which allow the supply of gas to be maintained downstream while undertaking connection works.
- Through reduction in PE pipe waste and reduced time spent on site, this piece of equipment has projected benefits of **circa £460K across the next 5 years.**

2.2.1. Smart meter collaboration PAUSED

Delivering value for money to our customers sometimes means pausing initiatives, as well as scaling up or embedding them.

In 2018, we trailed a project with NPower – one of the UK's biggest smart meter installers – to co-ordinate our own gas mains replacement work with NPower's meter installation programme. In theory, by carrying out mains replacement and smart meter installation at the same time, customers' gas would only need to be switched off once and they would only need to wait in at home once – rather than two or more times for different companies.

During the trial, only one customer took up the offer of a new smart meter – making the approach unsustainable and cost-inefficient. We will continue to work with suppliers to co-create a process that achieves reduced customer inconvenience without excessive cost.

2.3. Enhanced planning in collaboration with councils

Historically, local authorities have had a lower level of satisfaction with their relationship with us – rating 25% lower than our average across other stakeholder groups. So, over the past 12 months, we've gone above and beyond in the way we work with local authorities. In particular, we've focused on collaborative smarter planning of works; a key hot topic in our engagement preferences research. In a time of austerity and local authority cuts, we recognised the importance of developing mutually-beneficial ways of delivering services to our shared customer bases. We have found that these relationships and projects have grown organically, with one project naturally leading to another. Key initiatives include:

2.3.1. Potholes – and beyond SCALED UP

In 2017/18, we co-created a new trial with Cumbria County Council in which our engineers filled in local potholes while carrying out mains replacement work. We described this in last year's submission.

We initially found this project challenging to scale up, but this year, we worked with South Tyneside Council to adapt our approach. The council is keen to work under our barriers to carry out maintenance tasks such as road resurfacing, painting white lines, cutting back vegetation and other tasks that would have otherwise required a separate set of road works. In March this year, we successfully undertook our first trial - carrying out emergency work during the council's planned resurface work.

Using our Value Framework, we have calculated that **this collaborative approach saved NGN over £6,700** through avoided traffic management, as the road was closed for one less day than if we'd approached this separately. It also delivered approximately **£1,300 in societal benefits, through avoided customer time waiting in traffic.** We estimate partnering in this way will save us £2M across five years. We have approached all local authorities in our network to develop similar collaborative projects. So far, we have met with 23 councils to discuss this and 3 councils have agreed to run a pilot scheme in their areas.

2.3.2. Preventing built-over pipes NEW

When a gas service pipe is built over (e.g. during a property extension) it can create a health and safety risk and requires remedial work that is costly and time consuming for our customers.

To reduce the number of such occurrences, we have reached out to all the local authorities across the network and some of our local builders' merchants, to educate them on the issue.

We've asked councils to promote our service pipe alteration service, every time a customer puts in a planning application. Carlisle City Council have added a link to their website to their initial planning application website, which customers will see when they apply online.

We also placed information leaflets in local builders' merchants to make it easier for customers to take a leaflet which tells them how to find out more.

Councils engaged	33
Potential reach	Over 54,000

3. Delivering exceptional customer experience

Delivering an exceptional customer experience relies on understanding the diverse, and often very specific needs, of different customer groups. Whilst it is easy to think of our customers as just those households who have a gas supply, and therefore might be directly impacted by our work, in reality we can impact anyone who lives and works in our network.

This year, we completed a major four-year project to profile different types of customers – from small businesses to commuters – to understand their priorities. This detailed ‘customer persona’ research (described in more detail in Part 1, page 7), combined with our own monthly customer satisfaction surveys, bespoke research mechanisms and industry research has allowed us to continue to evolve our service, with a greater degree of tailoring and strategic focus.

3.0.1 Considerate Constructors Scheme improving customer satisfaction

We have continued to be the industry leaders in our approach to the Considerate Constructors’ Scheme (CCS), a national benchmarking programme that sees our sites independently audited. Across the four years we have been involved in CCS:

- Our Ofgem customer scores have increased from 8.38 to 8.85
- We have seen a direct link between our CCS registered sites and improved health and safety, with a 17% improvement in health and safety performance, **and reduced health and safety risk by approximately £40,000 per year.**
- The proportion of registered sites winning National site Awards has increased from 52.8% to **91.1%** in 2019 – demonstrating that best practice is now embedded across the network.

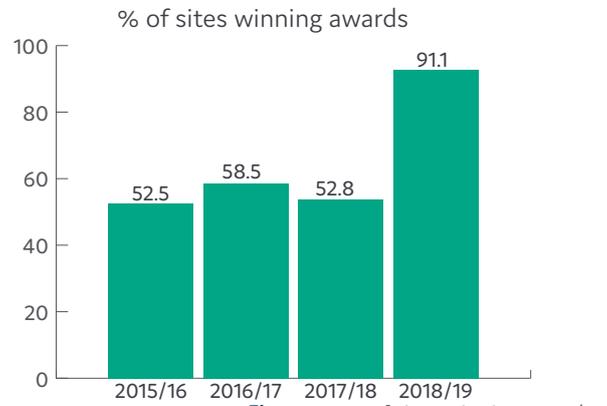


Figure 1: % of sites winning awards

Sharing best practice across industries

In 2018/19 we partnered with construction firm Hobson & Porter to share best practice when we’ve got CCS sites nearby. We’ll look to apply this approach across our network in the future.

“Our Collaboration has enabled our organisations to share best practice and serve communities in the Yorkshire and Humber regions”

3.0.2 Building trust with schools

Stakeholders say: “We want to be involved in the planning of our works to avoid disruption”

In response, we worked with a local school in our East Ridings patch, to co-create an information pack that could be sent to schools in advance of our planned work activities. The packs are now distributed to schools within a one mile radius of our works.

One of the schools involved in the trial told us that “early notification of works is really useful, especially for children and parents who travel from outside the area.” In response we changed our processes to provide three months advance notice of work (the Guaranteed Standards of Performance state we only need to provide 5 working days, and don’t stretch to cover customers indirectly impacted by our works).

3.1. Driving industry-wide improvements around compensation

We want to make sure we compensate our customers fairly when our service lets them down. We believe, as do some of our key stakeholders, that current industry standards do not go far enough, however. In June 2017, we began to voluntarily double all of our Guaranteed Standards of Performance (GSOP) compensation payments for all customers, with support from our stakeholders. Building on this, we have acted on the following recommendation from the Citizens Advice Report published in October 2017: Living up to the standards:

“Ofgem should introduce automatic compensation for all Guaranteed Standards and thus move towards regulation which always puts the onus on networks to identify failures and compensate their customers. This should involve removing any requirement for energy customers to submit a claim for compensation that still exist in the regulations”.

The recommendation recognises that networks should compensate customers automatically rather than waiting for application forms to be submitted, which can be time consuming and complex. We prioritised our vulnerable customers first and were able to go live with proactive GSOP 3 payments (paid if we fail to provide Priority Service Register customers with alternative heating and cooking following gas supply interruption of more than 4 hours) in October 18, followed

by automatic GSOP 13 payments (paid if we fail to provide 5 days notice of planned work) in Jan 19. We are the first network to take this stance and have shared our approach with the other GDNs who are now all working to make the same commitment.

As of January 2019, we have proactively paid over £11,480 to a total of 264 customers.

	Number of customers	Payment amount (voluntarily doubled in line with NGN commitment)	Total payments
Gsop 3	115	£48 (£24 standard GSOP payment)	£5,520
Gsop 13	149	£40 (£20 standard GSOP payment)	£5,960

3.2. In depth: Improving our connections service

As part of our continuing drive to improve the service we provide to our connections customers, 2018/19 saw us launch a focused programme to gain a greater depth of understanding of what customers want, and to tailor our services in response.

3.2.1. Domestic customers

Satisfaction levels among domestic connections customers have been rising steadily between 2013 to 2018, from 8.61 to 9.14, but there was still room for improvement.

In 2018/19, Through the regulated customers satisfaction surveys our domestic connections customers scored the application process and the time taken to provide a planned work date lowest.

In response to this we've made a number of improvements, including:

- Connections application forms have been made simpler by removing any jargon
- All acknowledgement emails now carry outline timescales and include a named contact
- Customers are called proactively at all stages to keep them informed of timescales and developments

- Call handlers have received soft skills training
- We have stretched our internal performance over and above the industry GSOP (Guaranteed Standards of Performance) targets

The following table shows the impact of these improvements:

Part of process	Average customer satisfaction score	
	before	after
Application process	8.60	8.85
Time for quotation to be provided	8.81	9.09
Time for planned date to be provided	8.26	8.67
Overall communication	8.67	9.07

3.2.2. Industrial and commercial customers

Our Industrial and Commercial customers are not included in any regulated satisfaction surveys, so we carried out focused customer persona research to better understand their priorities.

Stakeholders say: "The stakes are high for commercial house builders – even a small delay could put someone out of work therefore short lead times and punctuality are crucial".

We now contact all developers through an introductory call. We advise how each stage of the journey works, and the expected timescales.

The Guaranteed Standard of Performance for scheduling work is 20 working days, but we aim to reduce this timeframe to 14 days, within the next 12 months.

Stakeholders say: "Customers are often the middle man – can we deal directly with the more technical builders?"

Building on the in-depth research above and noticing a trend in our complaints data for serving the same group of customers, we have carried out a formal survey to seek more quantitative feedback. This research revealed that our connections service scored low for value for money – with 29% of respondents reporting they weren't satisfied with this aspect of our service.

In response, we now include a cost breakdown on all quotes and are carrying out additional training among the team, to help them better explain costs, and handle difficult conversations more successfully.

3.2.3. Third party customers

Our third-party connections customers include Utility Infrastructure Providers (UIPs), Independent Gas Transporters (IGTs), Shippers, and Meter Asset Managers (MAMs). Many of these groups serve the industry as a whole, rather than just NGN.

Similar to our Industrial and Commercial customers, our third party customers are also excluded from the regulatory connections survey.

Given the national focus of these groups, we decided to work collaboratively with two other GDNs – W&WU and Cadent, on a quarterly survey. So far, we have conducted 3 surveys, with satisfaction scores rising from 6.3 in our initial survey to 8.9 in our most recent survey in January 2019.

The table below summarises the findings and actions to date:

Feedback	Positive outcomes for customers
Could our quotations be emailed rather than put in the post?	We now both email and post quotations to our customers
Can we get a faster response to pressure tier requests?	We have improved our target of 15 working days to 5 working days
Can we have an online portal so we can self-serve for pressure tier requests?	We are considering options for a portal, learning from other GDNs who already have this in place
Can the team communicate better with us on our key issues?	We now have regular 1 hour teleconferences where our third party connections customers can call and discuss technical queries directly with the team
Can we have training on the technical (G17) planning and approval process?	We held our first training session in early 2019. Taking feedback from attendees we are now going to host these regularly as refresher sessions
Can NGN improve processing of non-standard requests?	We have set an internal standard of 10 working days to deal with these specific non-standard requests

"The Connections team provides a good example of setting stakeholder engagement in the context of an aspirational business goal in which engagement will be critical to improved performance. Improvement actions can be linked directly to stakeholder feedback, and engagement continues to find ways to improve and test the effectiveness of responses".

AA1000SES Audit, Feb 2019



4. Supporting customers in vulnerable circumstances

Within our region, more than **560,000 households** are currently on the Priority Services Register - approximately one fifth of our gas-using households.

Offering a meaningful level of support to these customers presents a big challenge for our service – one that we can only meet by working with expert partner organisations and by training all our staff to play a part in their daily working lives.

Our dedicated vulnerable customer strategy is reviewed regularly and in February 2019 we received the BSI 18477 Accreditation for Inclusive Service Provision.

The strategy has three broad priorities:

- Collaborate with others to deliver more for customers who are hard to reach or seldom heard
- Make sure colleagues are trained to recognise signs of vulnerability and are competent enough to deliver appropriate training to our partner organisations
- Be innovative in how we support our off-grid and fuel poor customers

4.1. Delivering more through collaboration ENHANCED

Stakeholders say: Utilities should work more closely together to deliver better outcomes for customers in vulnerable circumstances. They feel available funding should be far more joined up and they also emphasised that the most effective way of identifying and supporting vulnerable customer groups is through partners who have existing, trusted relationships.

Our flagship community programme – the Community Partnership Fund - is a response to these stakeholder recommendations. Local organisations, embedded in their communities, can bid for funding, by developing and delivering tailor-made schemes to help customers in fuel poverty; promote home safety; increase referrals to the Priority Services Register or promote STEM subjects.

Notable developments to the programme in 2018/19 include:

- **Partnership model:** we merged with Northern Powergrid in response to stakeholder calls for more joined up working between utilities.
- **Expanded scope:** the funding pot has been doubled to £100K, allowing more groups to benefit. Awards are now made every six months, rather than annually
- **Diverse groups and projects:** latest beneficiaries of funding range from a South Asian Community Radio Station developing multi-lingual programming around fuel poverty and energy efficiency to a community group in Hull teaching English to asylum seekers using our core safety messages as topic areas
- **Independent collaboration:** Funding recipients from previous years are using their experiences to develop further projects, independently of our involvement. For example, former grant winners National Energy Advice and Highfield Co-op are working together to enhance the service that Highfield offer to refugee and asylum seeker communities; enabling them to offer important energy efficiency advice to those benefitting from the service

Set out below is a summary of outcomes from this year of the Community Partnering programme:

 **60,151** people reached through social media campaigns

 **3,271** direct beneficiaries

 **24** new volunteers engaged

 **89%** grants given to organisations in areas of multiple deprivation

 **3** new jobs created

Age UK Gateshead – sustained and embedded promoting Priority Services Register NEW

NGN's grant enabled Age UK to train six staff to promote the Priority Service Register (PSR) to clients – giving them additional support in the event of a power interruption.

Between Jan 18 and June 18, the service gave clients information about the PSR, and provided help with applying. Age UK report that 1,581 people directly benefitted from this programme.

The before and after knowledge levels of service users was measured, with 73% saying they didn't know (or knew very little) about the PSR prior to their conversation. Post conversation, 87% felt they knew much more about the PSR.

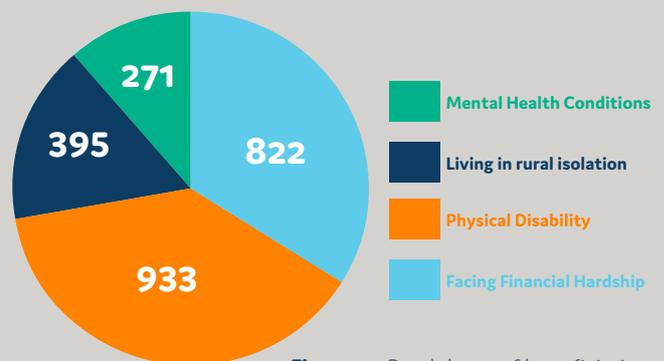


Figure 2: Breakdown of beneficiaries by vulnerability category



Community Partnering Fund launch event

4.2. Training colleagues and partner organisations

We have taken a holistic approach to training our colleagues to recognise signs of vulnerability. Both in the workplace and with customers, our colleagues have received training to identify where extra help might be needed.

This year we have focused on dementia and mental health awareness, with more than 230 of our colleagues receiving training.

We recognise that our partner organisations have the advantage of having built up mutual trust and understanding with hard to reach groups over many years, are embedded in these communities, and talk their language.

Examples of this approach from 2018/19 include:

- **Training firefighters to spot the signs of fuel poverty:**   working with National Energy Action, we provided training for West Yorkshire Fire and Rescue Service, so that firefighters could spot

“There were several examples of NGN supporting stakeholders to build their capacity to engage. The clearest example is in the Social programme, where work with key partners, in some cases over several years, has enabled community groups to move from transactional engagement around funding to a being able to take part in strategic discussions as part of a hot topic Workshop” AA1000SES Audit, Feb 2019

4.3. Supporting off-grid and fuel poor customers

Stakeholders say: We should offer support to both struggling customers connected to the gas network, and residents that are ‘off-grid’. They want us to work in partnership with experts, to offer an imaginative, and far-reaching response to fuel poverty – given this is such a complex issue, with many underlying causes.

Our work in this area is also in response to the stark fact that winter deaths are linked to cold homes; an estimated 50,100 excess winter deaths occurred in England and Wales in 2017/18. (ONS, 2018).

“Cold homes are a bigger killer across the UK than road accidents, drug abuse or alcohol abuse,” National Energy Action, 2015

Our response includes:

4.3.1. Green Doctors

Over the last three years we have partnered with Green Doctors, who visit the most vulnerable in our region to provide advice and support that tackles fuel poverty, improves health and wellbeing and reduces incidence of cold homes.

Our partnership has delivered **wide ranging lifetime benefits of over £550K** to our customers in most need:

	Properties	People benefitting	Cost savings per year	Estimated life time savings
Home energy visits	932	2343	£25,537	£262,704
Fuel switching	134	321	£36,341	£181,705
Warm Homes Discount	143	343	£20,020	£100,100
Water support	52	124	£1,231	£6,155

Green Doctors currently have limited geographical reach. With our partners Northern PowerGrid, we have provided an additional £66,000 of funding to extend their reach to new, mainly fuel poor areas.

4.3.2. Warm Hubs

For the past three years, we have funded a programme called Warm Hubs – friendly, warm places where customers in vulnerable circumstances (e.g. facing social isolation or fuel poverty) can go to get warm, have a meal, and obtain energy efficiency advice. The scheme is managed by our long term partners Community Action Northumberland (CAN). The scheme has been a major success:

- **26 Warm Hubs** have been established, and are now financially self-sufficient – thanks to the initial funding we provided.
- Over **8,000 local residents** use the Warm Hubs over the cold winter months
- Through support and advice around switching tariffs, warm home discounts, and provision of energy efficiency measures (such as LED light bulbs and radiator panels) **Attendees saved approx £189 on their annual energy bill.**

Building on the success of this project, we have been testing spin-off projects that can help reach broader and deeper within our vulnerable communities:

4.3.3. Pop up hubs: a success story

We have worked with CAN to launch ‘pop up’ hubs – one-off community events in areas where there is a lack of existing services or a fixed facility to host a regular event.

The first pop-ups in 2019 highlighted the benefits of slow cookers as a low-cost, easy to use way of cooking a hot and tasty meal. Savings of up to 63p per hour can be made by substituting a slow cooker for a traditional oven. At the end of the sessions everyone was given a slow cooker with accompanying recipe book to take away. Approximately 30 people took part. We have committed to funding Pop-Up Hubs for 2 years, and will be closely monitoring reach and outcomes.

4.3.4. Urban Hubs: a concept that has struggled to take off

In 2018, we worked with CAN to launch our first Warm Hubs within urban areas of Newcastle. The area faces many social and economic challenges, with low employment, educational attainment, and drug issues. Attendance figures were low, compared to the rural hubs. Investigation by CAN found that this was because urban residents had other, established places to go to get warm, socialise and gain advice. In rural areas, there is far less choice available.

In response, we have taken the decision to focus future Warm Hubs in predominantly rural areas, whilst investigating different ways to engage with urban stakeholders.

5. Decarbonisation, energy efficiency and the future role of gas

Stakeholders say: We have an essential role in actively participating in efforts to find low cost, low carbon heat source energy solutions for our customers. Over the last three years, we've seen a growing trend in the importance of the environment, and our impact on it, to our customers. From 2016, where stakeholders told us that we should 'actively participate' in finding low cost, sustainable, low carbon energy solutions, to 2018 where alternative fuels became the second highest priority area for investment.

Additionally, through the social listening exercise we undertook in 2018/19, we found that environment and futures were the topics that had highest level of interest from three of the four stakeholder groups we analysed.

5.1. A partnership approach to a shared challenge

This year, we've continued to talk to our stakeholders about the role they believe we should have in the energy transition. They've told us:

- Your role is to support, but not lead, the debate
- You have a key role to play in developing the evidence base (through research and trials)
- We want you to work more collaboratively with other GDNs and the supply chain on solutions

In response, we have been going the extra mile this year to improve collaboration across the sector and work with stakeholders who are keen to tap into our expertise in this area.

Our role as a subject expert in green, sustainable forms of gas has enabled us to work closely with a range of stakeholders, and help inform their plans for the future. By working with these organisations, we can help them to achieve their ambitions, while continuing to build a groundswell of support for gas as a fuel of the future – essential to our own long-term business objectives.

5.1.1. NIC 'H21 North' as a catalyst for engagement

Our hydrogen conversion programme hit another key milestone this year, with the launch of the H21 North of England report. The report sets out how over 3.7 million homes and 40,000 businesses and industries in the north of England could be converted to hydrogen by 2034. We've used the launch of the research as a catalyst for extensive further engagement, locally and nationally. But more importantly; it has provided the foundation for our stakeholder's to create their own strategies and exciting projects that we're proud to be part of. This collaborative work includes:

Working with the Hydrogen Corridor NEW

We are a key member of this new North of England consortium, with fellow members including the University of Leeds, Tees Valley Collective, Leeds City Council and West Yorkshire Combined Authority. The Hydrogen Corridor was established in July 2018 to investigate the application of hydrogen in industrial production, domestic heat, transport and industrial sectors as well as associated use of carbon capture and storage. One of the first outcomes from the group is set to be a two day hydrogen research and development conference, hosted by the University of Leeds and Leeds City Council in June 2019. The event will be a launchpad for a new hydrogen strategy for Leeds, which we have helped to inform.

Supporting regional bids for hydrogen fuelling stations NEW

The Government's Office for Low Emission Vehicles (OLEV) is inviting bids for hydrogen fuelling stations around the UK. We have worked with University of Hull and Tees Valley Combined Authority to support bids in Humber and Tees Valley. As part of the Tees bid, we have pledged to buy a hydrogen vehicle, which will be used by our colleagues in that area.

Informing the North East's 'Energy for Growth' strategy: NEW

This North East LEP's 'Energy for Growth' strategy is designed to drive economic growth in the region while delivering on national energy objectives. We supported the creation of the strategy by providing specialist advice.

"NGN has provided unique and valuable insights on the role of our energy infrastructure in driving regional growth and responding to the energy challenges of the future within the region".

Andrew Clark, North East LEP Programme Lead, Energy

5.1.2. Our role at national level

We are working at national level to help ensure that green forms of gas, particularly hydrogen, are promoted in a co-ordinated way, with the industry speaking as 'one voice'. Government has signaled to us, and our fellow gas distributors, that they want to see greater co-ordination in this area, rather than numerous approaches about disparate local initiatives. Our recent achievements include:

All Party Parliamentary Group on Hydrogen NEW

Along with fellow UK gas distributors we have been instrumental in the creation of this group. Chaired by Anna Turley MP, the main focus of the group is to build understanding of large scale hydrogen projects in the UK. The group has gained support from the Energy and Utilities Alliance, UNISON and the GMB.

One of the first outcomes of the group will be a series of local workshops, the first being held in the Tees Valley in May 2019

Anna Turley, Labour MP for Redcar and a member of the Business, Energy and Industrial Strategy Select Committee said:

"I'm excited about the potential of hydrogen to enable the country to significantly decrease our carbon emissions, create lots of good long-term job opportunities and position the UK as a global leader in green technology. "This group will work to raise awareness of the latest research and innovations in hydrogen technology, and work constructively with central government, local authorities and industry to support its development."

Anna Turley, Labour MP for Redcar

Hydrogen Transformation Group NEW

In November 2018, NGN led the formation of the Hydrogen Transformation Group. The group is independently chaired and members include all gas transmission and distribution, Ofgem and BEIS.

The group aims to provide a cohesive, industry-wide approach to hydrogen research and development. Tasked with overseeing the evidence required to enable a future policy decision on hydrogen, the group plays a central role in shaping the future of heat, transport and industry in the UK.

5.2. Helping stimulate the market for greener gases

5.2.1. Convening ambitions for gas powered vehicles

Although the electric vehicle market is growing exponentially, Compressed Natural Gas powered (CNG) transport also has vast potential. CNG vehicles produce around 20% less carbon than traditional diesel vehicles and offer a lower emission solution for haulage and passenger transport. During our CNG Conference (see Part 1, page 4) fleet managers and stakeholders from across the supply chain told us they felt we had a clear role to play in facilitating a network of CNG refueling stations across the North. Together, they developed and prioritised their ideas for the key actions we should take.

Top Priority Initiative

Stakeholders say: Develop an 'opportunity map' for the network that shows where the best opportunities for CNG connections could be, that goes beyond simply where the pipes are

We have developed an initial map that identifies opportunities based upon our network infrastructure, the key road network and land we know is available for development.

We have engaged again with stakeholders to gauge what other features the mapping needs to have to meet their needs and are now looking into opportunities to improve interactivity and include third party data sources.

Compromise Area

Stakeholders say: We want you to commit to connecting at least one CNG site – make it a flagship site

We were not able to commit to this request as, due to the constraints of our regulatory licence, we can't develop CNG sites ourselves or subsidise CNG connections. We are using this feedback to inform our GD2 Business Plan and consider what the opportunities may be for us to take a more active role in development in the future.

In the meantime, we are working closer with developers to ensure we identify areas where costs can be mitigated. To this end, we are actively engaging with interested parties to bring forward a potential CNG station at Lamesley (Gateshead A1).

5.2.2. Supporting biomethane producers

Prospective biomethane producers face many technical and legislative hurdles in getting their product into the gas grid. We have become active members in a GDN-wide technical working group which meets regularly to work towards agreeing a standardised approach to biomethane connections across the networks. Separately, we are working with specialist company Utonomy, to trial new technology that will allow us to remotely manage pressure on our medium pressure district governors - making it easier for biomethane producers to get their product into our network. Remote pressure management will allow us to respond to requests for biomethane injection in real-time, allowing for more capacity on the network.

5.3. Helping customers to manage their energy better

A decarbonised future is much more likely to be successful if customers become more comfortable with their own energy efficiency measures. We are promoting energy efficiency to help build a groundswell of enthusiasm in the region, while supporting some of the most vulnerable members of society. We run a wide variety of programmes within the communities we serve, delivered either through our own capability, or through trusted partners. These include:

5.3.1. Energy efficiency advice on the doorstep **NEW**

Stakeholders say: If any advice and referrals are provided to customers on the doorstep, 92% suggested we should focus on energy efficiency advice

This year, we worked with an industry-leading provider to train engineers in Tees, Pennines and Leeds to delivery energy efficiency advice on the doorstep. Engineers talk with the customer about basic energy efficiency advice and leave a leaflet of next steps with them. We then call the customer a few days later to ask whether they've done anything differently as a result of our visit. Through the trial 100% of customers who read the leaflet have given positive feedback. We will continue to gather stakeholder feedback to understand whether this should be a fundamental part of our offer to our customers in the future.

5.3.2. New connection energy efficiency packs **NEW**

Stakeholders say: When connections are made, we should ensure that householders can use them effectively by targeting advice about how best to use it safely and economically

In October 2018, we launched a trial with new connections customers in East Riding, North Riding and Pennines areas, providing them with an energy efficiency information pack, plus a CO alarm and CO safety information. We identified that some of these new connection customers will not have previously had gas in their homes and could be lacking in information on how to use it efficiently and safely.

Saving to customers across trial	£830
% of customer providing positive feedback	88%

Following the trial we are continuing to engage with customers to inform decisions on further scale up.

5.3.3. Canopy Enhanced Housing **NEW**

Our grants scheme to support grass roots community projects (described in more detail on page 6) has a strong energy efficiency and behaviour change focus.

Our funding is enabling social landlord Canopy Housing to deliver energy efficiency advice and practical solutions to 140 tenants in 70 households in our the LS9 area of Leeds, which contains some of the 1% poorest neighbourhoods in the UK.

Outcomes of this project include:

- **15 new volunteers trained**
- **Improved physical and mental wellbeing in 70 households**
- Empowerment of 140 residents; who felt more in control of their homes and finances and more aware of the choices they could make surrounding energy use in their homes.

Case Study:

New tenant Jennifer went to Canopy for support, as she wanted to leave a damp-ridden house with mould in the walls. She arrived just as Canopy were implementing the funding. Jennifer participated in the information sessions; she received practical support, such as energy efficient light bulbs, plug timers and help with boiler settings. Following this she made changes to the way she runs her household that result in a healthier, warmer environment and more money available for her children's needs.

5.3.4. Green Doctors SCALED UP

Since 2016 we have been supporting Green Doctors, alongside partners Northern Powergrid, to provide individuals in their homes with tailored advice on energy efficiency measures, grants and switching. Outcomes of this partnership are discussed on page 7.

Following the success of our Green Doctors scheme, we are exploring other ways to deliver energy efficiency advice across our network and have recently approved funding to provide an energy advisor within a local authority, Durham County Council. We will use this as a benchmark to test which partnerships work best to take our approach forward

5.4. Embedding green thinking into our daily business operations

Stakeholders say: This year, stakeholders told us that they expect us to plan for a greener future, but also to deliver our daily operations in a way that minimises impact on the environment.

Our new environment strategy, launched on National Clean Air day 2018 (June 21) sets out our commitment to reducing the impact of climate change, improving air quality; responsible resource use; enhancing life on land and creating lasting energy solutions.

This year's stand-out environmental projects are described below.

5.4.1. Solar powered remediation

We used solar powered pumps to remove more than 5,700 litres of coal tar from an underground Victorian tank, on the site of a former gas holder in Gateshead. The project saved 54 tonnes of CO2 equivalent, more than £22,000 in fuel costs and reduced vehicle movement and noise.

We have shared our learnings via a technical paper in the Institution of Environmental Sciences. The project won a Chartered Institute of Water and Environmental Management Award in 2018. We plan to apply this approach wherever practical in the future.



5.4.2. Mapping flood risk

Neil Whalley, our Environment Manager, sits on the Leeds Climate Change Commission alongside the Environment Agency (EA), Leeds City Council, Engie and the University of Leeds.

As an outcome of one of the meetings, we met with the EA and have mapped our assets to understand where they fall within flood zones or are at risk of coastal erosion.

This mapping will be used to help form our investment plans for the future, understanding where climate change presents additional risk to our assets.



6. Looking to the future

We know that the only way we can continue to meet our stakeholders priorities is through investing in new technology, which enables us to be future ready. This year we've been putting the groundwork in on a number of innovative new solutions to address our stakeholders needs that will launch next year. These include a Enterprise Resource Planning tool, which will enable us to save money through streamlining our back office systems, improving our efficiency. Furthermore, we're building applications that help us to meet our stakeholder priorities and business objectives, that are easy to use for our colleagues, partners and customers.

- **Work management app** NEW Our colleagues will capture details of all jobs through this application – including emergency and repair – in the field. This enables real time management and reporting of data and introduces a consistent way of working, whilst reducing paper use.
- **Warehouse Management app** NEW a new way of managing stock – enabling us to forecast accurately and maintain appropriate stock levels to ensure our colleagues have what they need, when they need it. This will improve our efficiency on site and reduces wastage.
- **Connections Portal** NEW we told you in on page 5 that our connections customers asked for an online portal where they can apply, accept quotes, pay and schedule works in one place. We're working on this, to create a seamless, secure and efficient way to access information to bypass call queues or waiting on return calls or emails, and to give our customers full visibility of our services and performance.







